

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	CC Docket No. 99-200
Numbering Resource Optimization)	
)	

NOTIFICATION OF EXPANDED RESPONSIBILITIES

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I. INTRODUCTION

Pursuant to Section 1.3 of the Commission’s Rules, NeuStar, Inc. (“NeuStar”), in its role as the North American Numbering Plan Administrator (“NANPA”), hereby submits its Notification of Expanded Responsibilities (“Notification”) in the above-captioned proceeding to notify the Commission, pursuant to Section 52.12(c) of the rules, that the expanded duties imposed upon the NANPA by the *Numbering Resources Optimization Third Report and Order and Second Order on Reconsideration* (“*Third NRO Order*”)¹ may affect its functions and may require a compensation adjustment. NANPA, of course, will continue to perform its functions in the most cost effective and efficient manner possible, but it cannot quantify any adjustment that may be required until it starts performing its new functions. Consistent with its earlier

¹ *Numbering Resource Optimization; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Telephone Number Portability*, CC Docket No. 99-200, CC Docket No. 96-98, CC Docket No. 95-116, FCC No. 01-362 (Dec. 28, 2001) (“*Third NRO Order*”). Section 52.12(c) authorizes the NANPA to “advise the Commission of any changes required” by new rules issued by regulatory authorities “within ten business days from the date of official notice of such files.” This petition is accordingly being filed within ten business days of the publication of the *Third NRO Order* in the Federal Register. *See* 67 Fed. Reg. 6431 (Feb. 12, 2002).

notification and request for equitable adjustment,² NeuStar files this Notification simply to preserve its rights under Section 52.12(c) of the Commission's Rules should the requirements of the *Third NRO Order* ultimately prove to require operational changes.

NeuStar will continue to work cooperatively with the Commission's Common Carrier Bureau to address those areas where the NANPA's work has been expanded and to seek alternative solutions that reduce or eliminate the need for additional compensation. If any new requirements set forth in the *Third NRO Order* ultimately do in fact expand the scope of NANPA responsibilities beyond those set forth in the Commission's rules and the North American Numbering Plan Administration Requirements Document ("Requirements Document"),³ NeuStar will request the Commission to approve an appropriate compensation adjustment.

II. THE *THIRD NRO ORDER* EXPANDS THE DUTIES OF THE NANPA AND MAY WARRANT COMPENSATION ADJUSTMENTS

The *Third NRO Order* is the Commission's most recent step in its continuing effort to ensure that the numbering resources of the NANP are used efficiently and that all carriers have the numbering resources necessary to compete in the telecommunications marketplace. The *Third NRO Order* further expands upon the responsibilities of the NANPA that were set forth in the Requirements Document and the Industry Numbering Committee guidelines referenced in and attached thereto. Specifically, the *Third NRO Order*: 1) lifts the ban on technology-specific overlays ("TSO") and service-specific overlays ("SSO"), often referred to as specialized overlays; and 2) finds that in some instances, carriers should be denied numbering resources if they fail to comply with an audit or if they are found, through an audit, to have violated the

² Notification of NeuStar, Inc., *Notification of Expanded Responsibilities*, CC Docket 99-200, (Feb. 23, 2001) ("First Notification"); Petition of NeuStar, Inc., *Petition for Compensation Adjustment, Request for Approval of Implementation Schedule and Emergency Request for Interim Relief*, CC Docket No. 99-200 (June 30, 2000) ("Petition for Compensation").

Commission's numbering rules; and 3) finds that state commissions should be allowed password-protected access to the NANPA database that stores all reported carrier number resource utilization and forecast ("NRUF") data pertaining to numbering plan area ("NPA") codes located within their state. NeuStar details below the possible effect that each of these provisions may have on its NANPA operations.⁴

A. Specialized Overlays

The *Third NRO Order* lifts the ban on SSOs and TSOs and allows state commissions seeking to implement specialized overlays to request delegated authority to do so from the Commission on a case-by-case basis.⁵ Furthermore, the FCC has determined that specialized overlays are an alternate form of area code relief, to be considered along with geographic splits and all-services overlays. The Commission directs carriers to work with NANPA and state commissions to develop creative solutions to prevent premature exhaust of the NANP, including the use of specialized overlays across multiple jurisdictions.⁶ In petitioning for delegated authority, the Commission recommends that state commissions evaluate and specify the desired attributes of the specialized overlay including 1) which technologies or services will be included, 2) whether it is transitional in nature, 3) whether it will include take-backs, 4) the size of the

³ North American Numbering Council, *Administration Requirements Document* (1997).

⁴ The *Third NRO Order* also addresses federal cost recovery for national thousands-block pooling and other aspects of the national pooling administration by declining to extend the pooling requirement to certain carriers not already covered by the Commission's rules and by declining to extend the November 24, 2002 implementation deadline for covered Commercial Mobile Radio Service ("CMRS") carriers to participate in pooling. *Third NRO Order* ¶¶ 2, 3. Acting in its role as the NANPA, NeuStar files the instant Notification addressing only those portions of the order that affect NANPA. Any portions that may affect the contract between the FCC and NeuStar as the Pooling Administrator will, if necessary, be addressed by a separate filing from the Pooling Administrator.

⁵ *Third NRO Order* ¶ 67.

⁶ *Third NRO Order* ¶ 74.

geographic coverage area, 5) when the overlay will be implemented, 6) whether 10-digit-dialing will be implemented, 7) whether the overlay or the existing NPA will be subject to rationing, and 8) whether the overlay will cover a pooling area.⁷ As expressed in the *Third NRO Order*, the Commission's main concern in deciding whether to grant a state petition for delegated authority, is whether the specialized overlay is constructed broadly enough so that numbering resources in the specialized overlay will not lie fallow.⁸

It is unclear from the Commission's *Third NRO Order* the role NANPA will be expected to play in the state commissions' preparation of their petitions requesting delegated authority to implement specialized overlays. Depending upon the number of state regulators who seek delegated authority for specialized overlays and the attributes of the specialized overlays, NANPA could experience a significant increase in the complexity and volume of its relief planning efforts. State commissions may require NANPA to evaluate the impact of specialized overlays on NPA relief proceedings pending before state commissions as well as future relief projects. This may require NANPA to develop a new tool for calculating the projected exhaust of specialized overlays, prepare for and attend additional industry meetings and public and technical hearings, and submit additional written testimony and interrogatories.

At the present time there are approximately 80 NPA relief projects for which NANPA has submitted an industry recommended relief plan to state regulators that either have not been acted upon or have been approved and subsequently suspended by the regulators. In all of these cases, the projected exhaust dates of the NPAs are greater than the one-year benchmark as

⁷ *Third NRO Order* ¶ 81.

⁸ *Third NRO Order* ¶ 74.

suggested in the *Third NRO Order*.⁹ NANPA could be required to calculate the exhaust of one or more specialized overlay alternatives for many, if not all, of these projects.¹⁰

Because the Commission has banned the use of specialized overlays until now, the techniques and tools necessary to calculate the impacts of this type of relief alternative do not yet exist. NANPA currently uses a computer spreadsheet model that calculates the expected lives of relief alternatives for a single NPA by spreading the expected NXX growth of all service providers, regardless of type, proportionately across the rate centers within the NPA. This model does not take into account different industry technologies or services, whether or not providers are pooling capable, coverage of multiple NPAs, the possible transitional nature of specialized overlays, the possibility of take-backs, and other factors unique to specialized overlays. Gathering relevant data to perform the calculations will take significant time and effort requiring cooperation with the industry and state regulators. Clearly, a new tool for calculating the impacts of specialized overlays will need to be developed and tested.

In the normal course of conducting relief planning activities, NANPA contributes to the relief planning process by participating in state commission regulatory hearings, attending public meetings, providing testimony and responding to interrogatories as well as documenting these activities. The inclusion of specialized overlay alternatives within just a portion of the more than 80 pending relief proceedings likely will require more regulatory hearings, public meetings and discovery to help regulators evaluate the effectiveness of a specialized overlay. However, at this time, NANPA cannot identify the quantity of NPA relief projects that will require additional

⁹ *Third NRO Order* ¶ 85.

¹⁰ The staff of the Pennsylvania Public Utilities Commission already has asked NANPA to include a specialized overlay in its presentation of relief alternatives for industry participants to consider as an option for relief of the 814 NPA.

planning activities resulting from the inclusion of specialized overlays. Nor can NANPA quantify the number of additional hearings, public meetings and other activities that may be necessary if state commissions require specialized overlays to be considered as NPA relief alternatives. Consequently, NeuStar is unable to determine the additional resources that may be required to fulfill the additional responsibilities at this time. If the lifting of the specialized overlay ban expands NANPA's area code relief activities and creates additional costs outside those anticipated in the Requirements Document, NeuStar will advise the Commission as soon as possible in order to address the need for additional compensation.

B. Audits

In the *Second NRO Order*, the Commission adopted a comprehensive audit program to verify carriers' compliance with federal rules and orders and industry guidelines addressing effective number utilization.¹¹ The audit program includes "for cause" and random audits.¹² A "for cause" audit may be triggered by the Common Carrier Bureau, the NANPA or Pooling Administrator, or by a state commission that reasonably believes that a service provider has violated the Commission's rules or industry guidelines. A "for cause" audit also may be triggered where a carrier's utilization and forecast data has been identified as inconsistent or misleading.¹³ It is the responsibility of the auditor to determine whether an audit is warranted.¹⁴

¹¹ *Numbering Resource Optimization; Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717*, CC Docket No. 99-200, CC Docket No. 96-98, 16 FCC Rcd 306, ¶ 82 (2000) ("Second NRO Order").

¹² *Id.* ¶ 85.

¹³ *Id.* ¶ 86.

¹⁴ *Id.* ¶ 87. Moreover, the auditor may at its own discretion conduct a "for cause" audit and follow-up audits of carriers that previously were subject to "for cause" audits. *Id.* Random audits will be employed as an additional deterrent to violations of applicable rules and regulations. *Id.* ¶ 88.

In its *Third NRO Order* expanded the penalties under the audit regulations. The Commission held that carriers that are audited and found to have violated numbering requirements, or that fail to cooperate with the auditors, may be denied numbering resources. The Commission concluded that only it and not the NANPA or state commissions will determine when a carrier must be denied resources, but stated that it encourages “state commissions and the NANPA to work with the Commission to identify violators and target them for enforcement.”¹⁵

Although the new penalty provisions adopted by the *Third NRO Order* likely will not expand NANPA’s operations beyond those possibly implicated by the *Second NRO Order*, NANPA reiterates the concerns it expressed to the Commission in its First Notification. The Commission directed the Chief of the Common Carrier Bureau to develop the audit plan, including detailed procedures.¹⁶ Neither the *Third* nor the *Second NRO Order* specifically sets forth the audit process; thus, it is unclear what role the NANPA ultimately will have in supporting the auditors.¹⁷ Audits of service providers may require the NANPA’s assistance, but the extent to which such support will enlarge the scope of NANPA responsibilities cannot be determined until the adoption and implementation of a specific audit plan. Therefore, NeuStar is unable to determine any additional resources that may be required to fulfill these responsibilities until the audit process is developed and implemented. At that time, NeuStar can assess the impact, if any, on its costs and request an adjustment, if necessary. NeuStar also will keep the Commission apprised of its activities in support of the audit process in an effort to avoid any need for additional funding.

¹⁵ *Third NRO Order* ¶ 98.

¹⁶ *Second NRO Order* ¶ 95.

¹⁷ See *Common Carrier Bureau Seeks Comment on Numbering Audit Program, Public Notice*, CC Docket No. 96-98, CC Docket No. 99-200, DA 02-108 (rel. Jan. 15, 2002). Comments were due February 15, 2002 and reply comments are due March 1, 2002.

C. State Commissions' Password-Protected Access to Carrier Information

In the *Third NRO Order*, the Commission holds that state commissions should have password-protected access to all mandatorily reported carrier NRUF data pertaining to NPAs located within their state.¹⁸ The Commission first required carriers to submit semi-annual NRUF reports to NANPA in its *First NRO Order*.¹⁹ As directed by the Commission in its *Second NRO Order*, NANPA currently provides state commission access to carrier NRUF data via semiannual reports.²⁰ Specifically, NANPA has been providing to states that demonstrate appropriate confidentiality protections are in place carrier-specific NRUF data when requested by a state commission. NANPA has produced and provided NPA and state-specific NRUF databases and forwarded them to the state commission.²¹ Along with the carrier data, NANPA also has provided tools to assist the states in their understanding and analysis of the data. These tools, including a variety of queries and reports, are provided with each NRUF database provided to a state.

NANPA has provided state access to NRUF data in accordance with the September 18, 2000 Mandatory Reporting Scope of Work Agreement developed between NeuStar and the Common Carrier Bureau. In this agreement, which is attached to this filing, item #6 states that NANPA would “provide this [carrier-specific utilization and forecast] data in paper (one copy)

¹⁸ *Third NRO Order* ¶ 134.

¹⁹ “States shall have access to data reported to the NANPA provided that they have appropriate protections in place to prevent public disclosure of disaggregated, carrier-specific data.” 47 C.F.R. § 52.15(f)(7); *see also* *Numbering Resource Optimization*, CC Docket No. 99-20, 15 FCC Rcd 7574, ¶ 37-83 (2000) (“*First NRO Order*”).

²⁰ *Second NRO Order* ¶ 118. If state commissions request the data in different formats that require NANPA to process or otherwise arrange the data, NANPA may provide the customized reports as an enterprise service. *Id.* ¶ 119.

²¹ NANPA has provided a copy of the appropriate NRUF database to a state either via email or producing and mailing a CD-ROM.

or electronic spreadsheet format (email or one CD-ROM), at the election of the state.” As a result, the NRUF system developed and implemented by the NANPA to comply with the September 18, 2000 Mandatory Reporting Scope of Work Agreement did not incorporate a password-protected access capability by state commissions.

The Commission notes in the *Third NRO Order* that NeuStar, as the NANPA, indicated that password-protected access to its NRUF database could be provided.²² Specifically, there is a referenced to NeuStar’s Petition for Compensation. In the Petition for Compensation, NeuStar described in detail a proposed new Central Office Code Utilization Survey (“COCUS”) System that NANPA would develop, assuming agreement by the Commission, to implement the changes to COCUS utilization and forecast reporting mandated by the *First Report and Order*. Based upon subsequent discussions with the Common Carrier Bureau and the September 18, 2000 Mandatory Reporting Scope of Work Agreement, the new COCUS system as described in the Petition for Compensation was not developed.

At present, NANPA’s NRUF system does not permit password-protected access by states. The NRUF system therefore will require software and computer system modifications in order to meet the Commission’s new requirement. Further, the provision of such access will exceed NANPA’s current firm, fixed price agreement.

NeuStar is prepared to work with the Common Carrier Bureau to address the system modifications required to support password-protected access to the NRUF data and subsequent costs for providing such access. Such discussions are required to fully and completely understand the Commission’s requirements and to ensure the appropriate functionality is developed and deployed by NeuStar to fulfill the requirements of the *Third NRO Order*. Finally,

²² *Third NRO Order* ¶ 138.

NeuStar is prepared to address this issue in conjunction with NeuStar's pending requests for equitable adjustment to the firm, fixed price agreement between NeuStar and the Commission filed December 26, 2001, January 9, 2002 and February 1, 2002.

CONCLUSION

The expanded duties imposed upon the NANPA by the *Third NRO Order* may affect its operational functions. As discussed herein, NeuStar cannot determine the additional burden that might be placed upon NANPA resources by the requirements in the *Third NRO Order*, but assures the Commission that it will only seek additional funding for those requirements that truly expand its scope of responsibilities. NeuStar will continue to work cooperatively with the Commission to address those areas in which the NANPA's work has been expanded and to seek alternative solutions that reduce or eliminate the need for compensation. NeuStar will endeavor to ensure that it performs its additional duties in a cost effective and efficient manner, but preserves its rights under Section 52.12(c) of the Commission's rules to petition the Commission for a compensation adjustment after the ultimate impact of the Commission's requirements is ascertained through their implementation.

Respectfully submitted,

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